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policy of the new states, the financial arrangements to be made with them, the payment of pre-war debts (especially kronen debts) constitute so many problems which the managers of Austrian banks have always to keep before them and which continually remind them that the greatest efforts are needed to surmount these difficulties.

Austria is a small country, but it is to be doubted whether even among the larger countries of the world there can

be found one upon which is incumbent the solution of so many complicated problems as confront this advanced post of western culture in Central Europe. It is therefore only natural that an appreciation of the Austrian, or more especially the Vienna, question should take this fact into account. Conditions in Austria have become sufficiently consolidated to make clearly discernible the economic bearing of the problem as shown in the balance sheet of the banks.

CHAPTER VIII

Traffic and Transport in Austria

Compiled by the Ministry for Transport and Traffic

THE transport system of Austria is not the necessary effect of an economic evolution; it is indeed, like the state itself, nothing but the torso, the western fragment of a once united system. Vienna, the former center of traffic, is now situated, with all its central apparatus, on the periphery of a small country. This fact should not be overlooked in considering the transport system and the separate means of transportation.

AUSTRIAN RAILWAYS

The total railway net of the Austrian state railways has, including the small railways, a length of 6,940.05 kilometers; of these 3,415.79 kilometers called *Bundesbahnen* fall to the share of railways in the possession of the government; 302.45 kilometers, to railways belonging to private societies but operated for the government, and 836.76 kilometers, to state railways operated by private individuals; so that 4,555 kilometers are at present operated by the state.

The length of the private railways

amounts now to 921.81 kilometers. The share of the Südbahn Gesellschaft, whose total line was formerly in Austria and extended over 2,334 kilometers from Vienna to Triest, amounts now in Austria only to 703 kilometers, but the company has the administration of 195 kilometers of local railways in Lower Austria and Styria. The Aspang railway, 87 kilometers, Vienna-Aspang, is administrated by a shareholders' company. Independent local railways extend to a total amount of 1,072 kilometers.

In old Austria there were over 25 kilometers of small railways moved by steam, 362 kilometers, by electricity, and 1.24 kilometers of cable roads.

Only the following railways of the Austrian Republic have not been diminished: the western lines (Vienna-Bregenz, Vienna-Passau) and the line to the south (Vienna-Villach-Tarvis) at the Italian frontier. The Südbahn-Gesellschaft carries traffic only to the Jugo-Slavian frontier at Spielfeld, though its lines go further on over Jugo-Slavian and Italian territories,

until they reach Trieste, part of the former Austrian Monarchy. Two of the principal junctions have fallen to the lot of the Succession States, *i.e.*, Marburg to Jugo-Slavia and Franzensfeste to Italy.

NEW FRONTIER LINES AND THE RAILWAYS

To remove the disadvantages of the present frontier lines, the countries now having parts of the Südbahn, Austria, Italy, Jugo-Slavia, have concluded an agreement, the so-called *Régime Provisoire*, which has to remain in force until a final solution of the Südbahn problem. This agreement secures the Südbahn an independent continuation and uniformity. For the administration of the Südbahn the same regulations are in force as for the state railways. The question of the employers, also, is managed in the same manner.

Of the northern and eastern lines, the Nordbahn (Vienna-Krakau), Nordwestbahn (Vienna-Prag-Tetschen-Bodenbach) and Franz-Josefsbahn (Vienna-Prague and Vienna-Eger), but fragments of 41 to 164 kilometers belong to Austria. By the fixation of the frontiers by the Peace Treaty, the transit stations, Gmünd, Znaim, Grussbach and Lundenburg, which are provided with the accommodations necessary to centers of traffic, were given over to the Czecho-Slovakian Republic. In consequence, those parts of the railway lines which remain in Austria lack stations able to collect and to dispose of the flood of goods coming into that country. The technical plants of the Gmünd and Lundenburg stations were especially accommodated to the traffic in the direction of Vienna, in which direction went heavily loaded freight trains; over these lines, the large coal transports were brought from the Czechian and Silesian coal districts having a large export industry.

It was a natural consequence of the formation of new states that customs frontiers should be erected, which render passenger and freight traffic from Vienna to Hungary and Roumania, and vice versa, by the means of passport and customs duties, much more difficult, and indeed, condemn the double-railed mainline, Vienna-Marchegg, formerly very much used, to total lack of traffic, the traffic from Hungary passing Bruck on the Leitha though that line is of smaller capacity. Some improvements in the traffic of the Succession States have been made by different conferences; the final removal of the many remaining traffic difficulties between these states will be the task of the International Conference in Portoroze, planned for September.¹

The unfavorable development of railway traffic caused by the War, and its consequences from which not even the victorious countries have been spared, naturally was felt very heavily by the Austrian railways. The Austrian railways were reduced by the Treaty of St. Germain to the Alpine lines, which labor under difficult grade-building and traffic conditions, and are not much frequented. The Austrian railways were further weakened by the tendencies of the Succession States to withdraw from traffic relations dating back for centuries, while, on the other hand, the Peace Treaty imposed heavy burdens on all Austrian roads for the benefit of the Succession States. Furthermore, the continued depreciation of the currency in Austria and the continual drop in the purchasing power of the Austrian krone abroad, immensely increased the expenditure for salaries and, still further, the expenditure for materials, while the limit for raising the tariff was soon reached, due to the

¹ Editor's note. This chapter was compiled in July.

pauperization of the masses. But the greatest increase in expenditure was caused by the loss of the coal supply districts brought about by the Peace Treaty. This loss resulted not only in the dependency of the Austrian coal supply on the good-will of the neighboring states, which compel Austria to take coal of low grade, but also, because of the extraordinary low rate of the Austrian exchange abroad, in the raising of the price of coal to 180 times the pre-war price.

The bad business results to which this condition must lead are indicated by the following figures concerning the state railways which form the greatest part of the Austrian railway net and therefore determine the general prospect for the entire system. According to the preliminary budget for the present year—definite balances have not yet been published—an expenditure of 16.6 billions kronen stands against an annual revenue of 7.8 billions kronen (chiefly transport returns) so that, including the .4 billions kronen for interest and redemption of railway debt, we find a deficit of 9.2 billions. Of the total expenditure about 8 billions kronen fall to the share of salaries, etc., the rest, to the share of materials. Half of this expenditure for materials is designed for the coal for trains, and of this, in consequence of the bad rate of exchange, more than three billions kronen are accounted for in losses caused by the currency depreciation, which would be spared if the peace parity were reached.

A lasting improvement in this situation can be produced only by the reconstruction of economic life and the abolition of the impediments to traffic. The Austrian railways are endeavoring, either by the utmost reduction in expenditure or by far-reaching raise of revenue to oppose a further diminution of working capacity and revenues.

SALARIES AND EMPLOYMENT

The Austrian state railways employ about 90,000 persons. Of these about 75,000 are definitely employed with annual salaries, and 15,000 are assistants, whose employment is revocable and who have only day wages.

The payment of definite employes consists of a regular salary, plus extra salary graduated according to locality; that is, these employes may be divided into five groups whose pay varies according to the price level of the different places of employment. For instance, this extra salary amounts to 100 per cent of the regular salary in Vienna, and in the locality of the lowest paid group, to only 40 per cent. The wages of the assistants, too, differ according to grouping. In addition, all railway employes now receive "extra dearth remunerations" by fixed rates, *i.e.*, extra dearth remunerations and extra remunerations for the members of the family, which are reduced with the diminution of price level.

The payment of definite railroad employes in the tenth year of employment in Vienna, the family consisting of a wife and one child, amounts yearly (regular salary, extra pay according to locality of employment, extra dearth remunerations and "family-members remunerations" included) to:

	<i>Kronen</i>
For employes with academic training (engineers, etc.)	86.160
For employes with intermediate-school learning (employes in the railway stations or in the administrative offices)	80.568
For engine-drivers	77.404
For conductors	73.252
For railway guards	71.888

The employes used in the traffic service, itself, are given shares of the working result, according to their different work, in the form of set prices (piece-work). Piece-work is introduced,

particularly in manual and technical work, as premiums, especially in the actual traffic and train service.

All questions concerning the employes as a whole or in their separate categories, or affecting the character of fundamental regulations; further, all measures concerning social or economic institutions for the employed, and, finally and all matters concerning the pensions of employes, are regulated by mutual consent of the authority passing the regulation and the elected representative of the employed.

As far as the up-keep is concerned, long neglected during the War, the railways could make up for the loss of time, but insurmountable difficulties still prevent extensive building activity. Only the principal problems, such as the establishment of institutions necessitated by the fixation of new frontiers and new traffic directions and the erection of buildings for the employes, can be considered. Then, too, lines must be provided to meet an increased pressure of 16 tons on the axle (Achsdruck) and on main lines, 20 tons.

The traffic policy of the state railways has to some extent a fiscal character, in that it varies according to the financial situation of the state. The passenger and the freight tariffs have been raised at several times and reach a considerable height. The freight tariff has already surpassed the world parity (currency depreciation). In general, on the state railways and the more important private lines, the freight rates have increased 150 times, the passenger tariff, 100 times the pre-war rate. Direct tariffs for the traffic with foreign countries could not be fixed on account of the fluctuating situation.

Further, on account of the extraordinary conditions it was impossible to put into force, unreduced, the norms of the International Convention, these

being in pre-war time the general legislative basis of the international railway freight traffic. The difficulties mentioned have brought about the conclusion of special agreements between Austria and the Succession States, providing for the application measures adopted by the Convention of Berne with some exceptions and restrictions. Only concerning the traffic between the Austrian and the Czecho-Slovakian Republic was it possible to put the agreement in force without restrictions.

ELECTRIFICATION PROJECTS AND THE RAILWAYS

As Austria is almost entirely dependent for her coal supply upon foreign sources, after the dissolution of the Austro-Hungarian Monarchy it was the first care of the railway administration to make use of the inland water powers for the railways. At once necessary technical and legal measures were taken concerning the Salzburg-Innsbruck-Bregenz line to the frontier, the Tauern railway (Schwarzbach-St. Veit-Attnang-Puchheim) and the Salzkammergut railway. The execution of these measures began immediately.

In the foreground stands the Innsbruck-Bludenz line (Arlberg railway) which is especially adapted for electrification because of the intensity of its traffic, its steepness, the large water powers near to it, and its long distance from the coal districts. The water power works of the Rutz near Innsbruck and of the Spullersee in Vorarlberg are also destined for railway use and the work of electrification has already begun. The railway line Salzburg-Schwarzbach-St. Veit and Schwarzbach-St. Veit-Spittal at the Millstättersee, too, is to be supplied with electric power from the power stations of Stubach and Mallnitz and the construction of both stations has already been started.

The building of electric engines has begun, passenger train engines, engines for lighter express trains and freight trains (two put together can draw even the heavy trains) and freight train engines for heavy freight trains on the steep line of the Arlberg.

The financial issue is a very difficult part of the electrification problem. A law provides for long term investment loans, especially with the help of foreign capital. But, up until now, these could not be realized and, therefore, the expenses had to be met by government means. However, the State Railways Administration hopes that the credit action of the League of Nations may change the present situation and provide Austria with the means necessary for electrification.

INLAND NAVIGATION

Of the Austrian waterways, the Danube and some of its tributaries and the lakes of the Alps are used for navigation. But only the navigation on the Danube is of real importance. The first Austrian navigation project was the Erste Donau-Dampfschiffahrts-Gesellschaft. It possessed at the end of 1920, 146 steamships with 69,690 H.P. and 887 trackers, and, later on, floating docks, hoists, etc. In these figures are comprised the ships on which embargoes were laid or which were sunk, during the War, so that it will only be possible to state the real number of ships after the execution of the Peace Treaty. In the year 1920 the steamships could register 77,965 hours of passage and 772,877 kilometers, the trackers, 1,033 kilometers. In 1913, the last year before the War, these posts amounted to 272,556 hours and 2,709,310 kilometers and 4,679,444 kilometers of trackers. The passenger movement amounted in the year 1913 to 741,594 persons. The Erste Donau-Dampfschiffahrt-Gesellschaft possesses

shipyards in Korneuburg and Obuda (Hungary), coal mines in Pécs (Hungary), a railway line from Mohacs to Pécs, and further shipping places along the Danube; the modern shipping place of Vienna is particularly remarkable.

SEA NAVIGATION

According to Article 225 of the Treaty of St. Germain, Austria, having no seacoast at all, yet has the right to hold a merchant fleet at sea. A law dated March 17, 1921 makes the necessary legal provisions for its flagging right.

POST

All legislation concerning the post and its administration falls within the sphere of the government. The administration is led by state officials and the highest post board is a department of the ministry for traffic and transport, whose chief is general manager of the post.

To the post administrations of Vienna, Graz, Klagenfurt, Linz and Innsbruck, belong 2,100 post offices and 2,120 branch post offices. Eleven hundred post offices send rural postmen out to carry letters, parcels, etc. into the country. There are further travelling posts and numerous postmen.

All post offices are central receiving offices for the post office savings bank. Of these, 1,725 post offices attend also to the telegraph and 1,350 to the telephone. The number of the officials amounted on December 31, 1920 to 9,691, of whom 219 were versed in jurisprudence and 22,876 subaltern officials, workmen, etc..

TELEGRAPH AND TELEPHONE

The Austrian telegraph and telephone is administrated by the government, *i.e.*, one department of the ministry of traffic and transport.

Directly under its administration are the chief telegraph offices in Vienna, Graz, Innsbruck, Linz and Klagenfurt. After the union of the Burgenland (Western Hungary) with the Republic of Austria according to the Peace Treaty of St. Germain, a further chief telegraph office in Ödenburg will be added.

Next follow the independent telegraph and telephone offices. In Vienna there exists a central telegraph station with 36 simple Hughes apparatus, 40 Hughes duplex apparatus, 4 double-fold Baudot apparatus, 3 twofold Baudot apparatus, 7 Siemens telegraph apparatus (Duplex), etc.

Besides, there are in Vienna and the provinces seventy-six independent telegraph offices. The whole net of wire includes cables of the length of 48,000 kilometers, covering distances of 18,000 kilometers. The telephone communication is administrated by thirty-three independent telephone offices including 79,467 main partners and 40,054 secondary partners.

Altogether, 11,500 persons belong to

the telegraph and telephone administration, of whom 500 are in the administering and in the building service.

AERIAL NAVIGATION

The state of aerial navigation in Austria has been determined by the Treaty of St. Germain. According to the terms of this treaty, all army aeronautic material, airships, motors, hangars, balloons and so on, had to be delivered to the Allied and Associated Powers and those not ordered for foreign transport, destroyed.

Since Austria had no private airships, her aeronautic activity is at present at a standstill. Its renewal will be possible only after the removal of the prohibition to build, to import or to export airships and their parts. The Paris Conference of the Allied Powers is willing to give to the Austrian government hangars and other aeronautic equipment for the supply of four aviation fields, Aspern, near Vienna, Thalerhof, near Graz, Klagenfurt and Innsbruck.

CHAPTER IX

The Manufactures of the Republic of Austria

By DR. SIEGMUND SCHILDER

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IN those provinces which in November, 1918, united to form the state of German Austria, the later Republic of Austria, there existed all sorts of manufactures in pre-war times, which continued even through the war. Simple handicrafts and repairing work were to be found in both town and country, beside gigantic industrial concerns, such as the Österreichische Alpine Montangesellschaft with its mines,

iron forges and iron industries in Northern Styria and Carinthia; the Aktiengesellschaft Krupp at Berndorf for the manufacture of manifold objects of base metals; the Steyrer Waffen und Kraftwagenfabrik, arms and motor-car industry; the Puchschon Fahrradwerke, motorcycle works in Graz; the Lokomotivfabrik in Wiener Neustadt; the two railway carriage factories in Vienna and Graz; the